

Stadium Delivery Model Task Force
Report to Legislature
May 2009

Executive Summary

Late in 2008, at the request of key legislators, the Capital Projects Advisory Review Board (CPARB) voted to form a Stadium Task Force. The Task Force's charge was to evaluate the delivery method used on UW Husky Stadium for application by other public owners.

After deliberation, the characteristics of the Stadium Delivery Model were delineated as

- Suitable for complex projects
- Provided a single contract between the public owner & developer (with the developer at risk)
- There is an early selection of the development team
- Is a best value selection process (cost is not the sole criterion)
- The development contract in two stages (a pre-development/design phase and a construction phase)
- The development team determines the project scope
- There is an early determination of project cost
- There is team development of cost effective design
- Allows an early involvement of contractor(s)
- Cost risk and responsibility lies with the development team
- Schedule risk and responsibility also lies with Development Team

During various meetings, the perspectives of each stakeholder group were explored to identify the full spectrum of risks and benefits of this delivery model.

Owner's Perspective:

This model afforded the owner the following advantages: the early selection of the team, the collaborative approach and the team development of scope, schedule and budget, all of which gave significant value to this model.

The Architect/Designer's Perspective:

The model was deemed a wise use of public funds, but it was thought that the focus should be on overall project cost not just initial expenditure. There was some concern about the qualification based selection; it was seen as not as open and inclusive to all contractors. Finally there were concerns that the delivery speed in this method would be cancelled by state biennium funding cycle. A study of integrated project delivery by CPARB to allow for a collaborative process is recommended.

General Contractor's Perspective:

Compared to Design/Bid/Build: The Stadium delivery model provided more time to plan the project, less bureaucracy and paperwork. There is less subcontractor performance risk due to best value selection. The most collaborative team environment is possible given the ability to choose your partners in design and construction. This is viewed as a quicker process (shorter project delivery duration). Further, it was believed that this model will result in fewer Requests for Information (RFIs) which in turn will lower staff and administrative costs. Since the general contractor and subcontractors are more involved in the design, it is anticipated that a more efficient and constructable design will be produced. However, the model was seen as a "resource gamble" during pre-development period and may limit competition, since only the most qualified contractors can participate (due in part to the marketing expertise and resources needed to participate).

Compared to GC/CM: The Stadium model creates less bureaucracy and paperwork. There is less subcontractor performance risk, due to best value selection in the Stadium delivery model, whereas GC/CM subcontractors are selected on basis of price. The contract terms are more negotiable, with a quicker process (shorter project delivery duration). A collaborative team environment is more likely, given the ability to choose your partners. However, it could be a resource gamble during pre-development period and the predevelopment period makes it difficult to plan resource distribution.

Compared to Design/Build: The Stadium model creates less bureaucracy and paperwork. It provides a potentially shorter selection process and cost and the contract terms are more negotiable. However, it could be a resource gamble during pre-development period and predevelopment period makes it difficult to plan resource distribution.

Compared to 63-20: No differences noted

Subcontractor's Perspective:

This delivery model supports methods that encourage construction, projects that effectively use taxpayer dollars. The "Stadium" Model should include procurement and contract protection for general and subcontractors. It should encourage not discourage GC competition. This model may not be appropriate for all public owners.

CPARB Project Review Committee type determination is advised and it is recommended that a Task Force be appointed to review this project at every stage, both to document its success and, perhaps, inadequacies, and also to bring to CPARB a review of the full scope of this process when the project is completed before it is even contemplated for use by other public agencies. This project (Husky Stadium) should be considered to be a pilot program, subject to analysis and review.

Labor's Perspective

Currently, the UW has its own rules (WACs) adopted which allow it to utilize this hybrid process on Husky Stadium. The law does not allow this process to be adopted by other agencies unless there are some new rules or legislative revisions. This would have to fall under the category of alternative bidding, but it is not covered under DB or GCCM.

Best Value Contracting is not a method supported by Labor. It is an exclusive method which narrows the field of potential bidders and reflects equal opportunity bidding on Public Works Projects.

Best Value Contracting does not allow for the open and inclusive methods considered for public contracting – for Generals and Subs. While it is true that the greater risk at the outset is assumed by the developer, this shift in risk can also be made using the current alternative bidding processes. A hybrid is not necessary here.

The perspective provided by contractors claiming less subcontractor risk through best value selection is dubious. This position serves more as a denial of opportunity for all interested subcontractors to participate in the process, which might, produce a better result.

Best Value is a subjective concept. Other subs may have better, more creative ideas that will not be admitted into the process under the Best Value criteria. Resources and resource distribution may be directly affected by funding, unless funding has been fully dedicated and allocated in advance of the project. Otherwise, the State's Budget allocations and cycles may affect funding for the project.

There is currently nothing in the law that would require such projects to be reviewed by any committee to determine whether the public agency has the ability and wherewithal to successfully perform a project under this process. Current law only requires review of Design Build and GCCM. Since the PRC has turned down public agencies requests for approval of the use of alternative processes, it would be erroneous to assume that any public agency, just by "wanting" to utilize this type of process is actually "qualified" to use it.

A Task Force should be appointed to review this project at every stage, both to document its success and, perhaps, inadequacies, and also to bring to CPARB a review of the full scope of this process when the project is completed before it is even contemplated for use by other public agencies. This should be considered to be a pilot program, subject to analysis and review.

Conclusions:

In conclusion, the CPARB Stadium Task Force made two recommendations:

- 1) The completed Husky Stadium project will be used as data for future recommendations and to streamline existing alternative procurement methods. At the close of the 2009-2011 legislative session, no funding was identified for the Husky Stadium project, and it was unclear that the project will actually happen. At the May 2009 CPARB meeting, it was agreed that that CPARB should table discussion of the study until the Fall 2009, when more clarity on the project may be available. At that time, it may be appropriate to look at what kind of data should be collected to provide decision support information for use of this delivery model as an alternative procurement method.
- 2) A task force is appointed to look at the Integrated Project Delivery (IPD) approach.